



MEMORANDUM

TO: Board of County Commissioners
Nick Lelack, County Administrator

FROM: Peter Gutowsky, CDD Director
Todd Cleveland, Environmental Onsite Supervisor
Sherri Pinner, Sr. Management Analyst

DATE: April 27, 2022

SUBJECT: South County Update

Summary

The Board of County Commissioners (Board) will conduct a work session on May 11, 2022 at 9 a.m. to discuss groundwater protection efforts in Southern Deschutes County (South County). The Oregon Department of Environmental Quality (DEQ) will be participating in the discussion.

An overview of the primary items of discussion will include:

DEQ staff participation

- An introduction of new Eastern Region DEQ staff and Onsite program staff
- A groundwater well sampling event update
- General discussion of groundwater protection in South County

Community Development staff

- Update CDD financial programs
- New developments regarding the New Neighborhood and groundwater protection programs

Financial Programs

Fund 296 – Groundwater Partnership Fund – Fund Balance \$109,300

Established to protect groundwater quality in South Deschutes County. Within this fund, programs exist to provide financial assistance to property owners not eligible to connect to a sewer system. Funding occurs through property sales and Pollution Reduction Credits of \$1,500 collected on properties located within The Reserve in the Pines development.

Community Development Programs:

- Nitrogen Reducing Onsite Wastewater Treatment Rebate Program: This program provides a maximum rebate of \$3,750 to property owners who have completed a retrofit of an existing onsite system serving a residence. The subject properties must be located within South Deschutes County and not in an area currently eligible for connection to a sewer system. Rebate details are as follows:

FY 22 (Through 4/22)	FY 21	FY 20	FY 19	FY 18
\$37,500	\$33,750	\$30,000	\$18,500	\$11,250
10 Rebates	9 Rebates	8 Rebates	5 Rebates	3 Rebates

- NeighborImpact Non-Conforming Loan Program: This loan program provides loans for low to moderate-income households in South Deschutes County to repair and/or replace failing onsite septic systems. This program began in 2011 and Deschutes County has contributed a total of \$240,000. Currently there is an available balance of \$78,730. This program has funded 14 loans. Of interest, for the time-period 2017-2021 there was no loan activity with activity resuming November 2021.

Fund 297 – New Neighborhood – Fund Balance \$94,300

Established to account for land sale proceeds and loan repayments for La Pine Special Sewer District loan assumed by City of La Pine through annexation in 2012, to accommodate the extension of sewer services to the entire New Neighborhood. The County aided the District in constructing the increased sewer capacity through the transfer of Federal Grant funds and a County loan of \$1,130,350. The loan funded through a Full Faith and Credit Obligation – Series 2003 bond.

County Bond Details:

Full Faith and Credit Obligation – Series 2003 - \$1,022,783 – 4.49%

Full Faith and Credit Obligation – Series 2012 Refunding 2003 - \$840,321 – 2.86%

Bond paid in full Oct 2021 – payoff amount \$568,806

La Pine Special Sewer District Loan:

Original Amount: \$1,109,801 @ 4.5%

Interest rate restate to 2.86% in 2019, retroactive to 2012 (bond restructuring date) Reduced accrued interest \$105,100

Obligation to Repay: System development charges (SDC's) generated from development within the New Neighborhood are retained as loan payments.

Termination: Obligation to repay the loan terminates in 50 years. (Contract executed March 2004)

Balance @ 4/27/2022 = \$39,300 – est. 6 to 8 sewer SDC's to pay loan in full. Once paid in full, sewer SDC collection will transfer to City of La Pine.

New Neighborhood Land Sales:

- Newberry Neighborhood Quadrants 2a and 2d – Notice of Intent to Award to DR Horton issued March 11, 2022.
- New Neighborhood 3 & 4 – 324 acres – plans underway to complete the master plan process.